



## PREPROPOSAL STATEMENT OF INQUIRY

**CR-101 (June 2004)**

(Implements RCW 34.05.310)  
Do NOT use for expedited rule making

**Agency:** Department of Revenue

**Subject of possible rule making:**

WAC 458-20-24003 (Tax incentives for high technology businesses)

**Statutes authorizing the agency to adopt rules on this subject:**

RCW 82.32.300 and 82.01.060(2)

**Reasons why rules on this subject may be needed and what they might accomplish:**

This rule explains the tax incentives, contained in chapter 82.63 RCW and RCW 82.04.4452, which apply to businesses engaged in research and development or pilot scale manufacturing in Washington in five high technology areas: Advanced computing, advanced materials, biotechnology, electronic device technology, and environmental technology.

The Department is considering a revision to this rule to incorporate provisions of chapter 2, Laws of 2004. These provisions extend the expiration date of the credit and the deferral program to January 1, 2015. Furthermore, they require completion of an annual survey by a person claiming the credit and an applicant of the deferral program. The method of calculating the credit is revised. Finally, the definitions of eligible investment project, person, initiation of construction, and qualified research and development expenditures are either added or revised.

**Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:** None.

**Process for developing new rule (check all that apply):**

- ☐ Negotiated rule making  
☐ Pilot rule making  
☐ Agency study  
☒ Other (describe) Modified negotiated rule making

**How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:**

Written comments may be submitted by mail, fax, or at the public meeting. Oral comments will be accepted at the public meeting. A preliminary draft of the proposed changes is available upon request. Written comments on and/or requests for copies of the rule may be directed to: Allan C. Lau, Interpretations and Technical Advice Unit, P. O. Box 47453, Olympia, WA 98504-47453; e-mail: Allanl@dor.wa.gov; phone: (360) 570-6134; FAX (360) 586-5543.

**Public meeting location:**

Capitol Plaza Building  
4th Floor - Executive Large Conference Room  
1025 Union Avenue SE  
Olympia, Washington

**Date:** March 23, 2005 **Time:** 10:00 a.m.

**Assistance for persons with disabilities:** Contact Sandy Davis no later than 10 days before the hearing date TTY 1-800-451-7985 or (360) 725-7499.

**Date**

**Name (type or print)**

Alan R. Lynn

**Signature**

**Title**

Rules Coordinator

**CODE REVISER USE ONLY**

**Filed: February 15, 2005**

**Time: 11:14 a.m.**

**WSR: 05-05-062**

**The above information was input by DOR.**